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NEWS RELEASE

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Paul J. McNulty, United States Attorney for the Eastern District of Virginia, announced that podiatrist Dr. Marc J. Blatstein, age 51, of Fredricksburg, VA, pled guilty today to mail fraud. Dr. Blatstein faces up to 20 years of imprisonment and a fine of up to \$250,000 when sentenced by United District Judge Richard L. Williams on February 8, 2006 at 1:30 pm.

The superseding indictment alleged a fraudulent billing scheme in which Dr. Blatstein made false claims for facility fees to which he was not entitled, for use of an "Ambulatory Surgery Center." Dr. Blatstein devised a scheme to make it appear that he had created an ambulatory surgery center separate from his office. He then mailed claims to insurance programs for facility fees for podiatric procedures he claimed to have performed at the Center. The insurance programs were led to believe that the surgery center was a free-standing location, separate from the doctor's office.

As part of the plea agreement, Dr. Blatstein admitted to submitting \$501,736 in fraudulent facility fees to insurance programs between January 1999 and December 2003. Dr. Blatstein also admitted to creating the appearance of a separate facility and having patients sign forms indicating that surgery was performed in a "separate building" when, in fact, the procedure was performed in Dr. Blatstein's office.

Also announcing the plea today are Donald W. Thompson, Special Agent-In-Charge, Federal Bureau of Investigation, Richmond Resident Office; Patrick J. Doyle, Special Agent in Charge of Investigations, U.S. Department of Health and Human Services; Michelle Schmitz, Special Agent-In Charge, Southeast Region, U.S. Office of Personnel Management; and Colonel Steven Flaherty, Superintendent, Virginia State Police.

The case was investigated by the FBI; the U.S. Department of Health and Human Services, Office of Inspector General; U.S. Office of Personnel Management, Office of Inspector General; and the Virginia State Police. The case is being prosecuted by Assistant United States Attorney Laura C. Marshall.

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